Recommendations of the Financial Institutions to revive the D.P.P.

1148. SHRI SURESH PACHOURI: Will the Minister of POWER be pleased to state:

(a) whether Government has accepted the recommendations made by the Financial Institutions to revive the Dabhol Power Projects;

(b) if so, details thereof;

(c) whether Government have accepted these recommendations; and

(d) if so, the basis on which these have been accepted?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) A committee of Financial Institutions has recommended a number of measures and reliefs/ concessions towards restructuring of the Dabhol Power Project and reducing the cost of power. While a few of the recommendations pertain to the Government of India, the other recommendations are to be considered by the Government of Maharashtra, Maharashtra State Electricity Board, existing sponsors of the project, the Dabhol Power Company and lenders to the project. The recommendations pertaining to the Government of India arc under consideration.

(c) and (d) Do not arise.

Selling of Equity by CMS Energy

1149. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) the power projects in the country where CMS Energy has stakes and the capacity of those power plants;

(b) whether CMS Energy has decided to sell all its equity in India;

(c) whether the Ministry are aware of the reasons why the companies like CMS Energy, Enron and AES are quitting India and withdrawing its fundings; and

(d) whether such trends are observed in the other sectors also?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) As per available information,

CMS Energy has equity stake in the following power projects in India—

250 MW Zero Unit Lignite based thermal power project in Tamil Nadu.
1184.645 MW Ennore power project in Tamil Nadu.
216 MW Jegurupadu power project in Andhra Pradesh.

(b) So far, no communication has been received regarding any decision by CMS Energy to sell all its equity in different ventures in the Indian power sector.

(c) So far, as Enron is concerned, the Company presently has equity stake only in one power project, *i.e.* the Dabhol Power Project in Maharashtra. The main reason for Enron deciding to pull out from the project seem to be the various legal disputes the Company has been having with the Maharashtra State Electricity Board, with whom the Power Purchase Agreement has been entered into. The Dabhol Power Company, in which Enron has a major equity stake, has also initiated arbitration proceedings against the Government of Maharashtra as well as arbitration and conciliation proceedings against the Government of India.

AES, on the other hand, have been facing operational difficulties in the distribution business in the State of Orissa.

(d) The reasons for these companies contemplating to withdraw are by and large project specific and arise out of the difficulties experienced by the State Electricity Boards (SEBs) in their contractual relations with the developers, the financial insolvency of SEBs etc.

F.D.I, in Power Sector

1150. SHRI SWARAJ KAUSHAL: Will the Minister of POWER be pleased to state:

(a) the investment made in Power Sector in each State during last five years;

(b) the additional capacity created in each State during last five years;